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Whole Earth
MAGAZINE

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To: Diana Valence
Apple Computer
Fax: 408-974-3611

Dear Diana,

Danica Remy asked that I fax you the following articles — from the New York Times and Fortune — in which Steve Jobs makes reference to the *Whole Earth Catalog* and its influence.

Thanks for your interest.

Regards,

Alexander Gault

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January 18, 1997

Creating Jobs: Apple's Founder Goes Home Again

By STEVE LOHR

This article was originally published in the New York Times Magazine on Sunday, January 12, 1997.

On a soft November day in Northern California, **Steve Jobs** is guiding his gray Porsche convertible out of San Francisco, and he is talking about Apple Computer Inc. That, of course, is what Jobs is famous for: as a co-founder of Apple in 1976, he was a leader of the computer revolution, until he was ousted in 1985 in a board-room coup. Jobs was 30, and he walked away with $150 million but no small measure of hurt.

He's returning to his old family at Apple while keeping together his new family at Pixar. For Steven Jobs, more than most, family is a complicated matter.

As he negotiates the Friday afternoon traffic on Route 101, Jobs keeps insisting that he does not want to talk about Apple. Then he goes on at length about how the company needs to reinvent itself, how it needs to regain its lost mantle as the personal computer industry's leading innovator. He is intimate but elusive, and extremely articulate. He recalls his years at Apple fondly, then makes it clear that he is doing nothing more than reminiscing. After all, he has other things to worry about, like running Pixar, the digital animation studio that created "Toy Story," and managing Next, the computer software company he started when he left Apple.

Still, Apple clearly exerts a lingering pull on Jobs. "It was like the first adult love of your life," he confesses, "something that is always special to you, no matter how it turns out."

In less than three weeks Jobs would be offered the chance to return to his first love. And he jumped, setting off a frenzy of late-night meetings, negotiations and soul-searching throughout Silicon Valley. On Dec. 20, Apple's C.E.O. and chairman, Gilbert F. Amelio, announced that the company would buy Next Software Inc. for $400 million. For that price, Apple also gets Steven P. Jobs, or at least a piece of him, in a role to be determined. So Jobs becomes the computer era's prodigal son: his return to Apple after more than a decade in exile is an extraordinary act of corporate reconciliation, a move laden with triumph, vindication and opportunity. And it is a particularly dramatic finale to an already dramatic second act in Jobs's life, both personally and professionally.

At 41, Jobs looks pretty much as he did at 30, or even 25. He still wears jeans every day, usually with a black turtleneck and running shoes. But Jobs says that he is a different person than he was when he left Apple in 1985, and that Apple is a different company. He insists that he is coming back to lend a hand, not to try to be the struggling company's savior.

What Jobs brings to Apple, he says, is "a lot of experience and scar tissue."

The deepest old wound is surely the way he left the company he founded. In 1984, the team he led created the Apple Macintosh, a sleek machine whose unique operating program turned the personal computer into a user-friendly machine. Although the Macintosh was breakthrough technology, it took time to attract buyers, and Jobs was forced out before the sales materialized. Apple would make a good living off the Macintosh technology for years, but as an innovator, the company all but stood still. Meanwhile, the Microsoft Corporation began its inexorable march toward domination, modeling its Windows operating software on the Mac's point-and-click system.

There is a certain personal edge to Jobs's return to Apple and the competition with Microsoft, lopsided as that rivalry appears today. While the personal computer industry has become a global $150-billion-a-year business, it remains a remarkably tiny community in some respects, ruled by a few hundred people who came of age together. Think of it as a close-knit high-school class brimming with friendship, admiration, envy and resentment, and then add fame and vast wealth to people who are barely adults. The two most prominent members of this class are Jobs, now seen as a pioneer and pop icon of computing whose fortunes have waned, and Microsoft's William H. Gates 3d, who has become the nation's richest man, dubbed the Rockefeller of the information age.

Both are 41, brilliant and driven, but their backgrounds and personalities contrast sharply. Gates is the scion of an old, affluent Seattle family; Jobs is the adopted son of a machinist in Northern California. Gates dropped out of

Harvard University to become an entrepreneur; Jobs dropped out of Reed College, the artsy Bennington of the West, to trek around India in search of spiritual enlightenment before starting Apple. If Gates, at least for a time, seemed the classic nerd, Jobs was the enigmatic renegade in a leather jacket.

Jobs bridles at any suggestion that Gates and Microsoft amount to his white whale. But he must wonder how differently things in the computer industry might have turned out had he not been expelled from Apple.

He is already talking about his return to Apple in ambitious, competitive terms. "I think we have an opportunity to take the next big technological step, and leapfrog Microsoft and everybody else," he said two weeks ago. Apple, to Jobs, has suddenly become "we" again.

The trip back to Apple began just before Thanksgiving. It is a textbook study of **Steve Jobs** in action, part hustling opportunist and part technology visionary.

Apple was known to be casting about for a next-generation operating program, the software that serves as the computer's master-control panel. Apple's in-house development effort, code-named Copland, had collapsed. For Apple, shopping for an operating system was a humiliation akin to General Motors's having to buy engines from another company.

When Jobs found Mona Simpson, a sister who had grown up in entirely different circumstances, it was as if they had been part of some nature-versus- nurture experiment. He was struck by the similarity in their intensity, traits and appearance.

Seeing an opening, Jobs did what he had not done in years: he called Apple. Gilbert Amelio was out of the country, so Jobs left a message for Ellen Hancock, Apple's chief technology officer. "I was startled to see **Steve Jobs** had called," Hancock says, "but I returned it immediately."

During their conversation, Hancock and Jobs discussed computer operating systems and Apple's predicament. At the time, Apple was not considering Next, and Jobs made no sales pitch. But he did ask to drop by when Amelio returned the following week.

A few days later, on Nov. 27, Jobs was working in his tiny office at Pixar in Point Richmond, north of Berkeley. He made a routine call to Next, whose offices are in Redwood City. What he heard stunned him: two Apple engineers and an Apple manager were at that very moment huddled with a couple of Next managers, who had called Apple on their own.

Jobs arranged to meet with Amelio, Hancock and Doug Solomon, an Apple strategy executive, at Apple's offices in Cupertino on Dec. 2. "It was the first time I had set foot on an Apple campus since I left in 1985," Jobs says. He felt a twinge, but it wasn't all that emotional; nearly everything had changed, even the buildings.

Jobs and the three Apple executives gathered in an eighth-floor conference room next to Amelio's office. Jobs paced the room and scribbled with colored markers on a white board, tracing the evolution of computer operating systems and prescribing their future. This time, Jobs did make his pitch, explaining why Next's operating system was Apple's best choice. The Apple executives were impressed -- or, as critics of the deal would say later, seduced -- by Jobs's salesmanship, and agreed to take a close look at Next.

In recent years, Next had become a company with excellent technology but shrunken ambitions. The company had started out manufacturing both hardware and software, with Jobs dreaming it would outdistance Apple and take on Microsoft. But even though computer sophisticates loved Next, it couldn't break into the mainstream, and the company was scaled back to provide software for computer programmers, especially geared to those designing Internet sites. Even as a niche company, Next wasn't yet profitable.

Last year, Jobs started making plans to take the company public, and he hired Goldman, Sachs & Company to handle the deal. But Wall Street had begun to grow cautious about Internet companies. Besides, a stock sale of Next would hardly be helped when Jobs disclosed, as he would have to in financial documents, that he was planning to spend less time at Next and more at Pixar.

So Jobs also considered simply selling Next. The Apple opportunity, when it surfaced, was ideal, since Apple, seeking a new engine, was attracted to the Next operating system, a technology without a market.

At an Apple board meeting on Dec. 4, Hancock reviewed the handful of companies in the running, including Next and Be Inc., a start-up headed by Jean-Louis Gassée, another Apple alumnus. On Dec. 9 and 10, four companies gathered at the Garden Court Hotel in Palo Alto to demonstrate their software to eight of Apple's senior managers, including Amelio. Since the Garden Court and Il Fornaio, an adjacent restaurant, are favored gathering places of the computer elite, word began to spread that Jobs was talking to Apple.

In a small conference room ringed by Apple executives, Jobs himself gave the Next demonstration and proved that he was still a spellbinding salesman of technology. On a desktop computer, he showed four video clips simultaneously, including Apple advertisements. His message: Next's orphaned operating system was still five to seven years ahead of its time. It would especially appeal to Internet and applications programmers, a vital

constituency if Apple were to prosper, for consumers will only buy computers for which top-drawer programmers are eager to write software.

After the demonstration, as a good faith gesture, Jobs handed over to Apple the financial disclosure documents Next had been preparing for its stock sale. And Jobs invited Amelio to his home to get acquainted and discuss strategy. "My advice," Jobs recalls, "was that if Apple was going to go with our technology, they should buy the company instead of licensing the software. You need the people for something as vital as an operating system."

After much testing, Apple's engineers chose Next's technology over the other companies'. Then Apple executives decided they could also use Jobs's help. From early in the merger talks, Hancock says: "We always talked about him being on the inside. We're hoping he can show us where to go from here in emerging markets and technologies."

For Jobs, the Apple deal provides a fresh start for Next and a sense of personal vindication. He sees business as a passion, the pursuit of something worthy; his friends talk of his "need to do something big." Suddenly, with an Apple deal, Next might indeed do something big. "Joining Apple," Jobs says, "fulfills the spiritual reasons for starting Next."

Just how much Jobs and Next can do for Apple probably cannot be fairly judged for a year or two. Apple's new operating system, based on Next technology, is due in late 1997, but software products are chronically late. For now, Apple seems intent on keeping Jobs focused on helping Apple, and prevailed upon him to make an appearance at its Mac World trade show on Jan. 7. The $200 million he received for Next includes 1.5 million Apple shares, which he cannot sell for at least a year. In the meantime, much of Wall Street and Silicon Valley will be watching closely, and without a trace of nostalgia. "It's very romantic going back to your first love," observes the industry analyst Esther Dyson, "but it rarely works out."

Just over a year ago, Jobs pondered a very different kind of return to Apple. In December 1995, Jobs and his family were vacationing in Hawaii with his close friend Lawrence J. Ellison, the billionaire software entrepreneur who is chairman of the Oracle Corporation. Jobs and Ellison strolled the beach and weighed making a takeover bid for Apple.

At the time, just a few months before Amelio took over as chief executive, Apple was being battered by product problems and management turmoil. The takeover plan, Ellison recently revealed, was nearly complete. A handful of corporate investors, including Oracle, had arranged financing of nearly $3 billion. Their plan called for Jobs to play a management role. "We came very, very close to doing it," Ellison says. "Steve is the one who decided against it."

Jobs now says he balked partly because trying to rehabilitate Apple would have meant so much time away from his family and Pixar, which has become a consuming interest. But mostly, "I decided I'm not a hostile-takeover kind of guy," Jobs says. "If they had [*asked*] me to come back, it might have been different."

Now that they've asked him, he is looking anew at Apple's problems. Not long ago, Jobs agreed with analysts who said that Apple was doomed. "That's over," he said. "Apple lost." Not surprisingly, he's turned optimistic. "A lot of people have written Apple off," he says now. "I was discouraged in the past as well. But Apple is still relevant. It has a base of 25 million users. Next to Microsoft, Apple is the only one that still matters." Jobs insists that an improved operating system will enable Apple to challenge Microsoft, much as the Macintosh challenged I.B.M. technology 10 years ago. "If anything," he says, "I.B.M. was more powerful than Microsoft is today."

Today, more than 85 percent of all personal computers run on Microsoft Windows; the Mac is next, with 10 percent or less. Still, those millions of users give Apple a base to build from that Next never had. And Next has a devoted following among sophisticated computer programmers.

(Tim Berners-Lee, a British programmer, created the World Wide Web on the Next system.)

Apple couldn't hope for a better candidate for pitchman than Jobs, whose genius for infecting others with his enthusiasm is known, by critics and admirers alike, as the "reality distortion field." "**Steve Jobs** is passionate about technology, and he can convey that sense of excitement to people who are inherently excitable about technology — and Silicon Valley is full of them," says Richard Shaffer, a principal of Technologic Partners, a research firm. "If Jobs can help instill in developers a sense that Apple will rise again, then it can rise again."

It is widely agreed that Jobs still stirs commitment and enthusiasm from his employees, but in a less frenetic style than he did years ago. In the past few years, he has spent most of his time at Pixar, which occupies a nondescript low brick building near the waterfront in Point Richmond.

The atmosphere at Pixar is loose and playful, but the computer scientists, animators and artists there work long hours and talk about being on the frontier of a new kind of film making. Jobs bought Pixar from the director George Lucas in 1986 for less than $10 million. At the time, Pixar was little more than a small collection of adventuresome computer scientists and a gifted young animator, John Lasseter, formerly of Disney. Jobs proceeded to invest $50 million of his own money in Pixar. It began to pay off when Pixar signed a deal to make three computer-animated films with Disney, the first being "Toy Story," which was the No. 1 box-office film of

1995. (Pixar's next film, an animated adventure story about insects called "Bugs," isn't scheduled for release until Thanksgiving of 1998.)

But "Toy Story" took four years to make, during which time Pixar struggled. Jobs never let up on his colleagues. "You need a lot more than vision – you need a stubbornness, tenacity, belief and patience to stay the course," says Edwin Catmull, a 51-year-old computer scientist and a co-founder of Pixar. "In Steve's case, he pushes right to the edge, to try to make the next big step forward. It's built into him."

In the old days at Apple, some people found Jobs's prodding style inspiring and others found it maddening, with Jobs meddling in the tiniest corporate details. His early days at Pixar were much the same. Pamela Kerwin, who joined the company in 1989 and is now a vice president, recalls how Jobs would run a meeting: "After the first three words out of your mouth, he'd interrupt you and say, 'O.K., here's how I see things.' It isn't like that anymore. He listens a lot more, and he's more relaxed, more mature."

Jobs himself acknowledges the change, and offers a simple explanation: "I trust people more."

As remarkable as his return to Apple may be, it is no more so than some of the quiet steps of reconciliation and discovery **Steve Jobs** has recently made in his personal life, most of them having to do with his family.

During his Apple years, Jobs says he spent "150 percent" of his time and energy on the company. His oldest daughter, Lisa, was born when Jobs was 23 and totally immersed in starting the computer revolution. She lived with her mother, whom Jobs never married. When Lisa was about 7, Jobs gradually began to build a relationship with her, and she lived with him during her teen-age years.

Now 18, she is a freshman at an East Coast university.

"I wish him the best, I really do. I just think he and Microsoft are a bit narrow. He'd be a broader guy if he had dropped acid once or gone off on an ashram when he was younger."

Steve Jobs on Bill Gates

On a recent sunny Friday afternoon, Jobs's house in Palo Alto was teeming with family and children. His young son was climbing a tree in the backyard, overseen by a watchful nanny; a couple of neighborhood children arrived, accompanied by baby sitters. In the kitchen, Jobs was sitting in a favorite rocking chair with his toddler daughter bouncing on his lap. His wife, Laurene, returned from errands and a jog. She and Jobs met about seven years ago, when Laurene was doing graduate work at Stanford's business school. Jobs came to speak to a class and sat next to her. They exchanged telephone numbers, but he had a business dinner scheduled for that evening.

After the class, Jobs recalls, "I was in the parking lot, with the key in the car, and I thought to myself, If this is my last night on earth, would I rather spend it at a business meeting or with this woman? I ran across the parking lot, asked her if she'd have dinner with me. She said yes, we walked into town and we've been together ever since."

Several years before he met Laurene, Jobs made another deep family connection, this one a good bit more dramatic. Adopted as a baby, Jobs was reared in a middle-class household in Los Altos by Clara, an accountant, and Paul Jobs, a machinist for a company that made lasers. (Both of them are deceased.) Steve remembers Paul as a "genius with his hands." He bought junkyard cars for $50, fixed them up and sold them to students for a profit. *"That was my college fund,"* Jobs says. He was clearly close to his adoptive father. Asked what he wants to pass onto his children, Jobs answers: "Just to try to be as good a father to them as my father was to me. I think about that every day of my life."

But, Jobs says, since he was a teen-ager he had made occasional efforts to locate his biological family. He had nearly given up when he discovered, at the age of 27, that his biological parents had another child later whom they had kept, his younger sister. For reasons of privacy, Jobs explains, he won't discuss his biological parents or how he ultimately tracked down his sister.

As it turns out, his sister is the novelist Mona Simpson, whose new book, "A Regular Guy," is about a Silicon Valley entrepreneur who bears a striking resemblance to **Steve Jobs**. After they met, Jobs forged a relationship with her, often visiting her in Manhattan, where she lived and still maintains an apartment. Theirs is a connection that, to this day, neither Jobs nor Simpson have discussed in the press, and now do so sparingly. "My brother and I are very close," Simpson says. "I admire him enormously."

Jobs says only: "We're family. She's one of my best friends in the world. I call her and talk to her every couple of days."

For years, the two kept their relationship to themselves. Then, in 1986, George Plimpton, for whom Simpson had worked at The Paris Review, gave a party for her first novel, "Anywhere but Here." Simpson arrived with her mother, Joanne, and **Steve Jobs**. "I had known Mona for quite a while," recalls Amanda Urban, Simpson's literary agent. "She had said she had a brother who worked in the computer industry. But that party was the first time I learned that her brother was **Steve Jobs**."

Simpson and Jobs decline to discuss the circumstances that led their biological parents to put Steve up for adoption. When he was born, his parents were unmarried; they had married by the time Mona was born, two and a half years later. She grew up in Green Bay, Wis.; according to a biographical blurb in a literary magazine, her father was a political science professor and her mother was a speech therapist. Simpson's novels tend to be populated by eccentric mothers and absent fathers (her second book is "The Lost Father"); her parents separated when she was 10, and she moved to Los Angeles with her mother as a teen-ager.

Jobs will say nothing about his biological father, but says that he does keep in touch with Joanne Simpson and invites her to some of his family gatherings. (She declined to comment for this article.) He seems grateful for her long-ago decision to have him and put him up for adoption. "There was never any acrimony between us," he says. Yet, biological roots aside, Jobs holds a firm belief that Paul and Clara Jobs were his true parents. A mention of his "adoptive parents" is quickly cut off. "They [*were*] my parents," he says emphatically.

Whatever it may say about the question of nature versus nurture, Simpson has also had considerable professional success. "Anywhere but Here" was applauded by critics and sold remarkably well for a literary novel by an unknown writer; when "The Lost Father" was published in 1992, Michiko Kakutani of The New York Times wrote that it "should galvanize Mona Simpson's reputation as one of the most accomplished writers of her generation."

"A Regular Guy," published last fall by Knopf, has received mixed reviews. It is about a Silicon Valley biotech entrepreneur named Tom Owens who becomes wealthy and famous and then loses control of his company to more practical business types. But the novel is primarily a dissection of relationships, the central one being the uncertainly developing bond between Owens and Jane, his out-of-wedlock daughter who shows up at his doorstep, unbidden, at the age of 10. Owens is an eccentric egotist: he's too busy to flush toilets, doesn't believe in deodorant and lives in a couple rooms in a sprawling mansion. He treats people, including Jane, with an emotional coolness that borders on cruelty. Eventually, though, Owens slows down, marries and embraces family life. "It's a lot more important than work," he says.

Given the similarities between Tom Owens and **Steve Jobs**, most of the book's reviewers have mentioned the Simpson-Jobs family tie. (Though never officialy confirmed, the relationship has been well known in publishing circles.) It would be hard not to notice: Owens is a vegetarian, blue-jeans-wearing iconoclast who believes in the virtues of market competition in business, education and elsewhere; ditto Jobs.

How much of himself does Jobs see in Tom Owens? "About 25 percent of it is totally me, right down to the mannerisms," he says. "And I'm certainly not telling you which 25 percent." Simpson must have known that people would make the comparison, often to Jobs's detriment; does he feel she exploited or betrayed him? "Of course not," he says with a dismissive wave. "It's a novel."

His adulthood discovery of his sister forced Jobs to rethink why people's lives turn out as they do. For years, he considered himself "an environmentalist," believing that a person's success or failure is largely governed by circumstance, upbringing, timing and luck. As a world view, it seemed logical enough to the young **Steve Jobs**. He happened to grow up in Silicon Valley at a time when the ingredients of the personal computer industry came together. As a 12-year-old, on a whim — and with an early display of characteristic chutzpah — Jobs called William Hewlett, then president of Hewlett-Packard, at his home in Palo Alto. Jobs was building a frequency counter and needed some parts. Hewlett chatted with Jobs for 20 minutes, agreed to send him the parts and gave him a summer job at Hewlett-Packard, the company regarded as the birthplace of Silicon Valley. In 19tk, Jobs met Stephen Wozniak, a gifted young engineer, and together they started Apple in the Jobs family garage in Los Altos.

When he found Mona Simpson, who had grown up in entirely different circumstances, Jobs felt as if they had been part of some genetics experiment. He was struck by the similarity in their intensity, traits and appearance. As he was growing close to Simpson, he was also getting to know his daughter Lisa, whose early years were spent apart from Jobs, and watching his two younger children grow up. "I used to be way over on the nurture side, but I've swung way over to the nature side," he says. "And it's because of Mona and having kids. My daughter is 14 months old, and it's already pretty clear what her personality is."

The effect of all this on Jobs seems to be a certain sense of calming fatalism — less urgency to control his immediate environment and a greater trust that life's outcomes are, to a certain degree, wired in the genes.

Today, Jobs lives in a red-brick house built in the 1930's. It is uncluttered but comfortable, with exposed brick walls and furniture that is mostly wood. In November, the living-room chairs were still arranged as they had been for a dinner in August that Jobs gave for President Clinton, which was attended by a dozen Silicon Valley executives and John Lasseter, the director of "Toy Story." "We don't entertain much," he says about the undisturbed chairs.

The house is large and the yard is spacious. In affluent Palo Alto it would probably go for $3 million to $5 million. But for a man worth an estimated $700 million, the house seems a statement of restraint. Esthetically, Jobs is a modernist, a believer in simple elegance. Over the years, he has applied his taste in design to his products as well: Jobs once rejected a proposed Macintosh circuit board because it looked ugly, even though only service technicians would ever see the innards.

The notion of "taste" — he uses the word frequently — looms large in the business philosophy of **Steve Jobs**.

His is a very specific sensibility, honed by a breadth of experience and by his constant immersion in the popular culture of the time. When he graduated from high school in Los Altos in 1972, he says, "the very strong scent of the 1960's was still there." In his 20's, he dated Joan Baez; Ella Fitzgerald sang at his 30th birthday party. When discussing the Silicon Valley's lasting contributions to humanity, he mentions the invention of the microchip and "The Whole Earth Catalog" in the same breath.

Great products, according to Jobs, are a triumph of taste, of "trying to expose yourself to the best things humans have done and then trying to bring those things into what you are doing." The Macintosh, he has said, turned out so well because the people working on it were musicians, artists, poets and historians who also happened to be excellent computer scientists.

And so Jobs's return to Apple marks an opportunity to reintroduce certain standards into an industry that, in his eyes, has grown ugly. Jobs has never hidden his longstanding objection to Microsoft -- not, he says, because of its dominance, or even Bill Gates's billions. "The only problem with Microsoft is they just have no taste," he said last year in "Triumph of the Nerds," a television documentary about the history of the computer industry. "I don't mean that in a small way. I mean that in a big way, in the sense that they don't think of original ideas and they don't bring much culture into their products. I have no problem with their success -- they've earned their success for the most part. I have a problem with the fact that they just make really third-rate products."

The statement was quintessential Jobs: arrogant, frank, insightful and perhaps more than half right, though brutally overstated. Those same traits were both his strength and his weakness at Apple.

After the documentary was televised, Jobs called Gates to apologize, sort of. "I told him I believed every word of what I'd said but that I never should have said it in public," Jobs says. "I wish him the best, I really do. I just think he and Microsoft are a bit narrow. He'd be a broader guy if he had dropped acid once or gone off to an ashram when he was younger."

Even in apology mode, Jobs can be cutting, perhaps too much so for what corporate computer culture has become. Apple Computers, after 11 years without him, is a vastly different company, with an entirely new set of needs and goals. The question is whether **Steve Jobs** has become a different **Steve Jobs** than the one who created it in the first place.

Steve Lohr covers technology for The Times.

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